

DMUCS

WASHINGTON STAR

Approved For Release 2005/06/22 : CIA-RDP74B00415R000400030024-5

29 OCT 1972

# Chinese Rings Step Up Heroin Flow

By MIRIAM OTTENBERG  
Star-News Staff Writer

A well-organized Chinese network across the country has stepped up smuggling of Southeast Asia heroin to the point where it now supplies 15 percent of the addict demand in the United States.

That's an increase of 10 percent of the supply in less than one year.

Narcotics officials are now seriously concerned about the potential threat of Southeast Asian heroin flooding the American market.

## Huge Haul Halted

The all-Chinese rings, however, still are not filling the gap left by enormous seizures of heroin over the last year. It takes between six and 10 tons to supply the U.S. addict market a year.

Director John E. Ingersoll of the Bureau of Narcotics and Dangerous Drugs yesterday told an editors' seminar on worldwide efforts to stem the narcotics traffic that during the latest fiscal year, a total street value of \$676,321,000 worth of illicit narcotics and dangerous drugs was removed from the U.S. market alone. This amounts to a 501 percent increase over the previous year's value of \$112,476,000.

In cooperation with foreign governments during fiscal 1972, Ingersoll added, BNDD prevented a total of 120,670 pounds of drugs from reaching these shores—an estimated \$892,931,440 worth.

The threat posed by the ethnic or overseas Chinese rings was outlined by John R. Enright, assistant director for criminal investigations.

While the volume of Southeast Asian heroin still doesn't rank with the European traffic, he said, it has the potential for becoming a very serious threat, particularly as the European supply dwindles.

"We're mounting an operation against the Chinese seamen who bring the drugs to the United States and the Chinese traffickers, some of whom operate legitimate businesses," BNDD's enforcement chief said.

That's the previously hush-hush Operation Sea Wall which has brought together

Canadian Mounted Police and British authorities in Hong Kong to fight the increasing traffic in southeast Asian heroin.

## All-Chinese Trade

Going after the Chinese poses some unique problems. In communicating with each other, the Chinese traffickers use obscure dialects known only to a handful of people in this country. That becomes a problem when agents use court approved wire taps to follow the action, Enright said.

Also, if a trafficker senses he may be suspected, he leaves the heroin aboard ship and waits until it reaches the next port before his smuggling confederate lands with his body-pack of heroin. Sometimes the trafficker lets the ship go around the world and back to the same port before he collects his heroin.

The Southeast Asian heroin traffic remains all Chinese—from the Hong Kong or Taipei financier who acquires the supply to the Chinese-American trafficker who wholesales it—because they don't trust anybody but their fellow Orientals.

That requires Chinese BNDD agents to infiltrate the rings but, Enright said, the Chinese have to sell heroin outside their closed communities so some non-Chinese agents are working on these cases, too.

So far, the so-called mayor of Chinatown (with 20 pounds of heroin) and several others have been arrested in New York, a group of Chinese ship-jumpers was caught with six pounds of smoking heroin and a Philippine diplomat was tailed by a BNDD agent from Bangkok to New York and arrested with 40 pounds of heroin. Arrested with him at the same midtown hotel was his Chinese "Control." There have been a dozen seizures of heroin and arrests of smugglers and receivers.

Most of the smuggling seamen come into West Coast ports in both Canada and the United States. Vancouver is particularly popular. The most recent seizure was along the Washington state border as the Chinese tried to bring in 18 pounds from Canada, hidden in stereo equipment.

Like the Mafia, the Chinese have turned to murder. An important West Coast Chinese trafficker was murdered recently, bringing a temporary slowdown for regrouping in the illicit trade. After the murder, agents found a pound of heroin in his house.

"Some of the recipients of drugs from couriers are individuals of substance in the Chinese communities," Enright said, "but I am in no way implying that the majority of Chinese-Americans are anything but outstanding citizens."

## No Link to Peking

Nor is he implying that the Peoples Republic of China is the source of the traffic. He said there was no intelligence to indicate that Red China has anything to do with it.

What investigation has brought out, he said, are

"very definite links between Chinese traffickers in most major cities from San Francisco to Boston, from Vancouver to New York and Chicago. They know each other and they traffic together."

He said he had scraps of intelligence that Southeast Asian heroin is coming through Latin America.

"They'll keep probing and looking for vulnerable points of entry," he said. "That's what the European traffickers did when they started channeling their heroin flow to the United States by way of Latin America."

To fight the Southeast Asian flow to this country, BNDD is attacking the supply at its source in the Golden Triangle of Southeast Asia.

In cooperation with authorities in Laos and Thailand, they're attempting to bottle up the supply with roadblocks and undercover penetration. They're also working along the supply channels in Bangkok, Hong Kong and Manila.

About 1,000 tons of opium is grown annually in Southeast Asia. Most of it is consumed there. BNDD's goal is to make sure that all of it stays across the Pacific.

25X1

Approved For Release 2005/06/22 : CIA-RDP74B00415R000400030024-5

29 OCT 1972

## U.S. REPORTS HEROIN ARRESTS

# 'Latin Connection' Believed Broken

PARIS (AP) — President Nixon's senior narcotics adviser today disclosed a series of arrests that he claimed incapacitated the Latin drug connection to the United States.

"This might be a blow from which the underworld could not recover," Nelson Gross reported.

Other American officials said the arrests, made in Latin America from February to September, "were the biggest roundup of its kind" and involved "old-time people who cannot be easily replaced."

Gross said the Latin connec-

tion, the transport route through which heroin produced in Marseille laboratories is smuggled to Latin America for shipment to the United States, accounted for about 2,200 pounds of heroin on the U.S. street market every year.

The cycle of arrests began, he said, on Feb. 5 in La Paz, Bolivia, with the arrest of Houscp Caramanian, a French national, who was in possession of a false passport and \$236,000 in cash. Caramanian was extradited to the United States but two Frenchmen who accompanied him, Lucien Sarti and Jean-Paul Angeletti, were released.

Through the coordinated efforts of the U.S. Narcotics Bureau, French and various Latin-American police agencies, Sarti and Angeletti were tracked to Mexico. Angeletti and an Italian trafficker, Renzo Ragai, were arrested there April 27. Sarti was killed in a shootout with police.

On Aug. 30 in Caracas, Venezuela, another alleged member of the ring, Joseph Sereni, was arrested and 35 pounds of heroin seized. On Sept. 6 in Buenos Aires, 32 persons were

arrested in connection with the seizure of 99 pounds of heroin, among them another alleged accomplice, Francis Chiappi. Finally, on Sept. 26, 132 pounds of heroin were found in Rio de Janeiro, leading to the arrest of still another reputed gang member, Christian David.

### Cocaine Factory Seized

Meanwhile, in Chile, police disclosed that Chilean narcotics agents have uncovered what they claim is the biggest cocaine factory on the South American continent and one of the biggest in the world.

The discovery of the secret laboratory and the arrest of its alleged owner, Filiberto Olmedo Rojas, 43, could be bad news to cocaine users in the United States because Chilean-made "snow" accounts for most of the U.S. market.

"There doesn't appear to have been anything like this before," said a U.S. official of the discovered factory, which police say produced 1,100 pounds of pure cocaine in the last three years.

Hernan Lopez, chief inspector of the Chilean Narcotics

Brigade, said the lab was located in an isolated house in the Chilean beach resort of Algarrobo, about 60 miles west of Santiago.

One kilo — or 2.2 pounds — of cocaine is worth about \$2,500 in Chile but its value increases to between \$18,000 and \$20,000 when it arrives in the United States.